

REQUIRES MONITORING  
OR STAFF ACTION NO

**COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTERS	<input type="checkbox"/>	DATE	<u>March 29, 2005</u>
MOTOR CARRIER MATTERS	<input type="checkbox"/>	DOCKET NO.	<u>2005-48-E - -</u>
UTILITIES MATTERS	<input checked="" type="checkbox"/>	ORDER NO.	<u>-</u>

**SUBJECT:**

DOCKET NO. 2005-48-E: Duke Power – Application of Duke Power for Approval of Two New Rate Schedules, Schedule HP-Flex (SC), Hourly Pricing, Flexible Baseline (Pilot) and Rider NL (SC), Economic Development for New Load (Pilot). Discuss with the Commission an Application for Approval of Two New Rate Schedules filed by Richard L. Whitt, Esquire, on behalf of the Applicant.

**COMMISSION ACTION:**

**DISCUSSION**

The Schedule HP-Flex (SC) rate schedule is responsive to a number of commercial and industrial customer requests to provide more flexibility in managing their electricity costs. The new rate schedule will provide customers who choose Duke's hourly pricing rate option the flexibility to determine the amount of load that is subject to the variability of marginal cost-based hourly prices rather than be bound by the methodology in the current rate schedule HP-X which is based on an established Customer Baseline.

Grant approval for Duke Power's Schedule HP-Flex (SC), Hourly Pricing, Flexible Baseline (Pilot)

**DISCUSSION**

The Rider NL (SC) is designed to attract new load to Duke Power's service area by allowing such customer to begin service with a Customer Baseline initially established at zero. Over four years, the Customer Baseline is incrementally increased to the level that would normally be established for full operation of the facility. Therefore, the amount of demand and energy priced at marginal cost pricing is incrementally decreased, while the amount of demand and energy priced at standard tariff rates is incrementally increased.

Grant approval for Duke Power's Rider NL (SC), Economic Development for New Load (Pilot). Since the possibility of revenue shortfalls exists during the first four years of Rider NL (SC); also move that Duke Power be required to track any foregone revenue incurred as a result of Rider NL (SC) so appropriate ratemaking treatment may be considered in future rate proceedings or rate reviews.

Approve suggested minor wording changes in existing Schedule HP-X to clarify actual practice regarding Power Factor Correction and modifications of the Customer Baseline.

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PRESIDING	<u>Mitchell</u>	Session:	Regular
		Time of Session	<u>2:30 PM</u>
	MOTION	YES	NO
		OTHER	

  

CLYBURN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APPROVED	<u>                    </u>
FLEMING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	APPROVED STC 30 DAYS	<u>                    </u>
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ACCEPTED FOR FILING	<u>                    </u>
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	DENIED	<u>                    </u>
MITCHELL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	AMENDED	<u>                    </u>
MOSELEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	TRANSFERRED	<u>                    </u>
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SUSPENDED	<u>                    </u>
				CANCELED	<u>                    </u>
				SET FOR HEARING	<u>                    </u>
				ADVISED	<u>                    </u>
				CARRIED OVER	<u>                    </u>
				RECORDED BY	<u>SCHMIEDING</u>